

Amendment to the Committee Print

Offered By Mr. Bliley

**[Manager's amendments]**

**(Page & line nos. refer to Commerce Committee Print of May 27, 1999)**

Page I-26, line 2, insert “or wholesale financial institutions” before “from such risks”.

Page I-26, line 8, insert “or wholesale financial institutions” after “institutions”.

Page I-28, beginning on line 18, strike “A depository institution” and insert “An insured depository institution or wholesale financial institution”.

Page I-29, line 8, insert “or wholesale financial institution” after “insured depository institution”.

Page I-36, line 22, insert “any State from” after “(C)”.

Page I-37, line 11, insert “any State from” after “(D)”.

Page I-37, line 13, strike “or”.

Page I-37, line 14, insert “any State from” after “(E)”.

Page I-37, line 20, strike the period and insert “; or”.

Page I-37, after line 20, insert the following new subparagraph:

1           (F) any State from requiring an organiza-  
2           tion which has been eligible at any time since  
3           January 1, 1987, to claim the special deduction  
4           provided by section 833 of the Internal Revenue  
5           Code of 1986 to meet certain conditions in  
6           order to undergo, as determined by the State,  
7           a reorganization, recapitalization, conversion,  
8           merger, consolidation, sale or other disposition  
9           of substantial operating assets, demutualization,  
10          dissolution, or to undertake other similar ac-  
11          tions and which is governed under a State stat-  
12          ute enacted on May 22, 1998, relating to hos-  
13          pital, medical, and dental service corporation  
14          conversions.

Page I-49, line 4, strike “depository institutions” and insert “insured depository institutions and wholesale financial institutions”.

Page I-49, line 8, strike “depository institutions or”  
and insert “insured depository institutions and”.

Page I-50, beginning on line 6, strike “depository  
institution” and insert “insured depository institution”.

Page I-51, line 5, strike “or enforcement actions”  
and insert “, enforcement actions, registration, or licen-  
sure actions”.

Page I-51, beginning on line 21, strike “depository  
institutions” and insert “insured depository institutions”.

Page I-52, beginning on line 8, strike “depository  
institution” and insert “insured depository institution”.

Page I-56, strike line 3 and insert the following:

1       (e) DEFINITIONS.—For purposes of this section, the  
2 following definitions shall apply:

3           (1) INSURED DEPOSITORY INSTITUTION.—The  
4 term “insured depository institution” includes any  
5 foreign bank that maintains a branch, agency, or  
6 commercial lending company in the United States.

7           (2) STATE.—The”.

Page I-64, after line 11, insert the following new section (and amend the table of contents accordingly):

1   **SEC. 110. RESPONSIVENESS TO COMMUNITY NEEDS FOR FI-**  
2                   **NANCIAL SERVICES.**

3           (a) STUDY.—The Secretary of the Treasury, in con-  
4 sultation with the Federal banking agencies (as defined  
5 in section 3(z) of the Federal Deposit Insurance Act) and  
6 the Securities and Exchange Commission, shall conduct  
7 a study of the extent to which adequate services are being  
8 provided as intended by the Community Reinvestment Act  
9 of 1977, including services in low- and moderate-income  
10 neighborhoods and for persons of modest means, as a re-  
11 sult of the enactment of this Act.

12          (b) REPORT.—Before the end of the 2-year period be-  
13 ginning on the date of the enactment of this Act, the Sec-  
14 retary of the Treasury, in consultation with the Federal  
15 banking agencies and the Securities and Exchange Com-  
16 mission, shall submit a report to the Congress on the  
17 study conducted pursuant to subsection (a) and shall in-  
18 clude such recommendations as the Secretary determines  
19 to be appropriate for administrative and legislative action  
20 with respect to institutions covered under the Community  
21 Reinvestment Act of 1977.

Page I-76, line 10, strike “Section 5” and insert  
“(a) BANK HOLDING COMPANIES.—Section 5”.

Page I-79, after line 3, insert the following new sub-  
section:

1       (b) SUBSIDIARIES OF DEPOSITORY INSTITUTIONS.—  
2 The Federal Deposit Insurance Act (12 U.S.C. 1811 et  
3 seq.) is amended by adding at the end the following new  
4 section:

5       **“SEC. 45. AUTHORITY OF STATE INSURANCE REGULATOR**  
6                       **AND SECURITIES AND EXCHANGE COMMIS-**  
7                       **SION.**

8       “(a) IN GENERAL.—Notwithstanding any other pro-  
9 vision of law, any regulation, order, or other action of the  
10 appropriate Federal banking agency which requires a sub-  
11 sidiary to provide funds or other assets to an insured de-  
12 pository institution shall not be effective nor enforceable  
13 if—

14               “(1) such funds or assets are to be provided by  
15 a subsidiary which is an insurance company, a  
16 broker or dealer registered under the Securities Ex-  
17 change Act of 1934, or an investment company reg-  
18 istered under the Investment Company Act of 1940;  
19 and

1           “(2) the State insurance authority for the in-  
2           surance company or the Securities and Exchange  
3           Commission for the registered broker or dealer or  
4           the investment company, as the case may be, deter-  
5           mines in writing sent to the insured depository insti-  
6           tution and the appropriate Federal banking agency  
7           that the subsidiary shall not provide such funds or  
8           assets because such action would have a material ad-  
9           verse effect on the financial condition of the insur-  
10          ance company or the broker, dealer, or investment  
11          company, as the case may be.

12          “(b) NOTICE TO STATE INSURANCE AUTHORITY OR  
13          SEC REQUIRED.—If the appropriate Federal banking  
14          agency requires a subsidiary, which is an insurance com-  
15          pany, a broker or dealer, or an investment company de-  
16          scribed in subsection (a)(1) to provide funds or assets to  
17          an insured depository institution pursuant to any regula-  
18          tion, order, or other action of the appropriate Federal  
19          banking agency referred to in subsection (a), the appro-  
20          priate Federal banking agency shall promptly notify the  
21          State insurance authority for the insurance company or  
22          the Securities and Exchange Commission, as the case may  
23          be, of such requirement.

24          “(c) DIVESTITURE IN LIEU OF OTHER ACTION.—If  
25          the appropriate Federal banking agency receives a notice

1 described in subsection (a)(2) from a State insurance au-  
2 thority or the Securities and Exchange Commission with  
3 regard to a subsidiary referred to in that subsection, the  
4 appropriate Federal banking agency may order the in-  
5 sured depository institution to divest the subsidiary not  
6 later than 180 days after receiving the notice, or such  
7 longer period as the appropriate Federal banking agency  
8 determines consistent with the safe and sound operation  
9 of the insured depository institution.

10 “(d) CONDITIONS BEFORE DIVESTITURE.—During  
11 the period beginning on the date an order to divest is  
12 issued by the appropriate Federal banking agency under  
13 subsection (c) to an insured depository institution and  
14 ending on the date the divestiture is complete, the appro-  
15 priate Federal banking agency may impose any conditions  
16 or restrictions on the insured depository institution owner-  
17 ship or operation of the subsidiary including restricting  
18 or prohibiting transactions between the insured depository  
19 institution and the subsidiary, as are appropriate under  
20 the circumstances.”

Page I-203, strike line 1 and all that follows  
through page I-204, line 6, and insert the following new  
section (and conform the table of contents accordingly):

1   **SEC. 192. STUDY AND REPORT ON FEDERAL ELECTRONIC**  
2                   **FUND TRANSFERS.**

3           (a) STUDY.—The Secretary of the Treasury shall  
4   conduct a feasibility study to determine—

5               (1) whether all electronic payments issued by  
6   Federal agencies could be routed through the Re-  
7   gional Finance Centers of the Department of the  
8   Treasury for verification and reconciliation;

9               (2) whether all electronic payments made by the  
10   Federal Government could be subjected to the same  
11   level of reconciliation as United States Treasury  
12   checks, including matching each payment issued  
13   with each corresponding deposit at financial institu-  
14   tions;

15              (3) whether the appropriate computer security  
16   controls are in place in order to ensure the integrity  
17   of electronic payments;

18              (4) the estimated costs of implementing, if so  
19   recommended, the processes and controls described  
20   in paragraphs (1), (2), and (3); and

21              (5) a possible timetable for implementing those  
22   processes if so recommended.

23           (b) REPORT TO CONGRESS.—Not later than October  
24   1, 2000, the Secretary of the Treasury shall submit a re-  
25   port to Congress containing the results of the study re-  
26   quired by subsection (a).



1       (c) DEFINITION.—For purposes of this section, the  
2 term “electronic payment” means any transfer of funds,  
3 other than a transaction originated by check, draft, or  
4 similar paper instrument, which is initiated through an  
5 electronic terminal, telephonic instrument, or computer or  
6 magnetic tapes so as to order, instruct, or authorize a  
7 debit or credit to a financial account.

Page II-23, line 15, strike “(iv)” and insert “(v)”.

Page II-63, beginning on line 22, strike “of any licensed insurance company”.

Page III-1, line 13, strike “provide” and insert “engage in the business of”.

Page III-10, strike line 12 and all that follows through line 16 (and conform the punctuation accordingly).